

SUMMARY

RESORTS INTERNATIONAL, INC.  
FORECASTED CASH FLOW STATEMENTS  
CONSOLIDATED

(in thousands of dollars)

## SOURCES OF CASH:

	10 Months Ending Dec. 31, 1988	13 Months Ending March 31, 1989	Years Ending December 31,		
			1989	1990	1991
Cash flow from operations:-					
Resorts International Casino Hotel	\$51,900	\$60,980	\$9,080		
The Taj Mahal Hotel & Casino			132,370	\$186,034	\$203,020
Paradise Island operations	23,787	52,105	57,197	70,399	86,300
Showboat lease	5,515	7,179	6,905	7,252	7,613
Corporate and other	(16,350)	(21,185)	(19,340)	(18,500)	(18,800)
Affiliated rent and management fee					
Total cash from operations	64,852	99,079	186,212	245,185	278,133
Interest income	23,394	27,968	11,454	11,120	16,409
Proceeds from new financing					
-Taj Mahal Mortgage Bonds	582,000	582,000	0	0	0
-Paradise Island	12,500	25,000	12,500	0	0
Total sources of cash	682,746	734,047	210,166	256,305	294,542
USES OF CASH:					
Purchase of Class A Stock	130,000	130,000	0	0	0
Taj Mahal completion costs	202,093	347,863	178,657	0	0
	332,093	477,863	178,657	0	0
Debt service:-					
Interest on existing indebtedness					
-Public debt	72,670	93,045	76,063	74,788	73,512
-First Fidelity (\$125 million)	9,375	12,500	12,500	12,165	10,491
-Other debt	341	431	248	116	80
Interest on new financing					
-Taj Mahal Mortgage Bonds	36,000	36,000	72,000	72,000	72,000
-Paradise Island	360	740	2,235	2,500	2,500
Sinking fund obligations	0	0	12,756	12,756	12,756
Other principal payments	2,282	2,714	1,206	665	103
Principal payments-First Fidelity	0	0	0	13,392	17,856
Total debt service	121,028	145,430	177,009	188,382	189,299
CRDA payments	3,615	4,316	5,285	7,054	7,513
Paradise Island renovation and expansion	12,500	25,000	12,500	0	0
Recurring capital expenditures	5,000	8,000	12,000	12,000	12,000
Total uses of cash	474,236	660,609	385,451	207,436	208,812
Net cash flow	208,509	73,438	(175,285)	48,868	85,731
Estimated cash					
- beginning of period	68,546	68,546	277,056	101,771	150,639
- end of period	\$277,055	\$141,984	\$101,771	\$150,639	\$236,370

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RESORTS INTERNATIONAL, INC. & SUBSIDIARIES

Significant Assumptions Underlying

Consolidated Forecasts

March 1, 1988 through December 31, 1991

- (1) Issue \$600,000,000 of bonds on April 1, 1988 at 12% interest. Issuance costs equal \$18,000,000. Interest payments are October 1 and April 1. No principal payments during the period presented.
- (2) First Fidelity loan of \$125,000,000 remains outstanding until June 1, 1990, when it switches to a term loan amortizing in equal principal payments over 28 quarters. Interest is at 10%.
- (3) Borrow \$25,000,000 from a bank for Paradise Island renovations and expansions at 10% interest. \$12,500,000 borrowed and expended during the third quarter of 1988 and \$12,500,000 borrowed and expended during the first quarter of 1989. No principal repayments during the period presented.
- (4) Taj Mahal budgeted construction costs total \$641,850,000 (excluding land, capitalized interest, pre-opening costs and working capital). Construction expenditures on Taj Mahal totaled approximately \$341,000,000 on February 29, 1988 and remaining budget for construction is \$300,850,000. Budgeted pre-opening costs total \$33,400,000 (of which we had expended approximately \$1,000,000 at February 29, 1988) and budgeted expenditures for working capital total \$27,500,000.
- (5) Taj Mahal is completed and opens on April 1, 1989. Resorts Casino Hotel is merged with the Taj Mahal as of April 1, 1989 and the old Resorts Casino is closed.
- (6) Corporate expense includes \$3,600,000 per year that will normally be allocated to Resorts Casino Hotel, in accordance with our normal accounting policies.
- (7) Excess cash is invested in short-term money market securities earning 8% interest.
- (8) No federal or state income taxes will be payable during the period presented as the Company expects to be in a net operating loss position for tax purposes.
- (9) The construction fee payable to the Trump Hotel Corporation is paid currently, commencing in May 1988.
- (10) Future proceeds from sales of real estate and aircraft, which are not currently being used in the Company's operations, are not included in these projections.
- (11) Showboat rent increases on April 1 for increases in the Consumer Price Index. Assumed Consumer Price Index increases 5% per year.

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